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The Pittsburg Micropolitan Area Economic Profile, 2016

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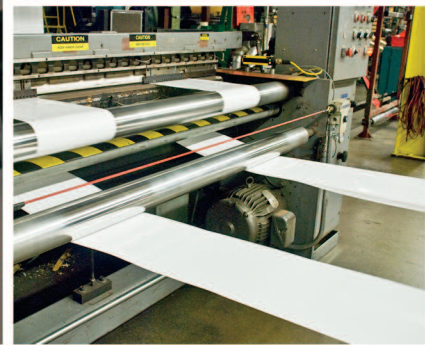
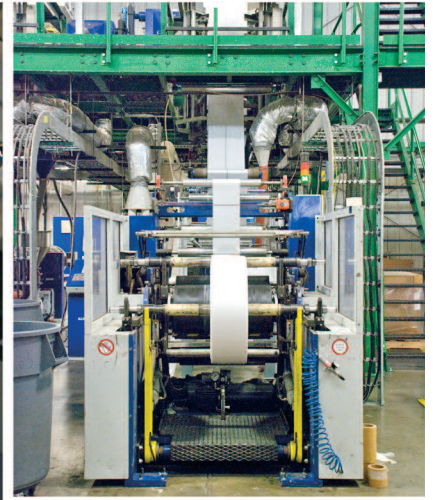
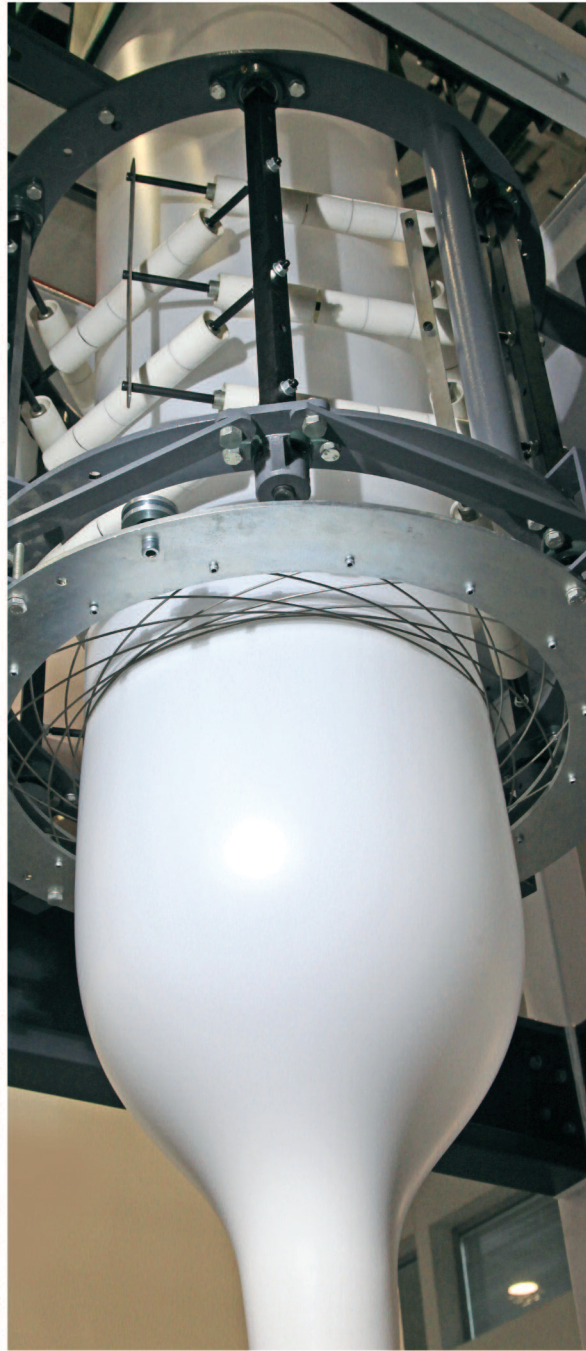
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ECONOMIC 2016 PROFILE

Pittsburg
Micropolitan
Area



KELCE
COLLEGE OF BUSINESS
Pittsburg State University



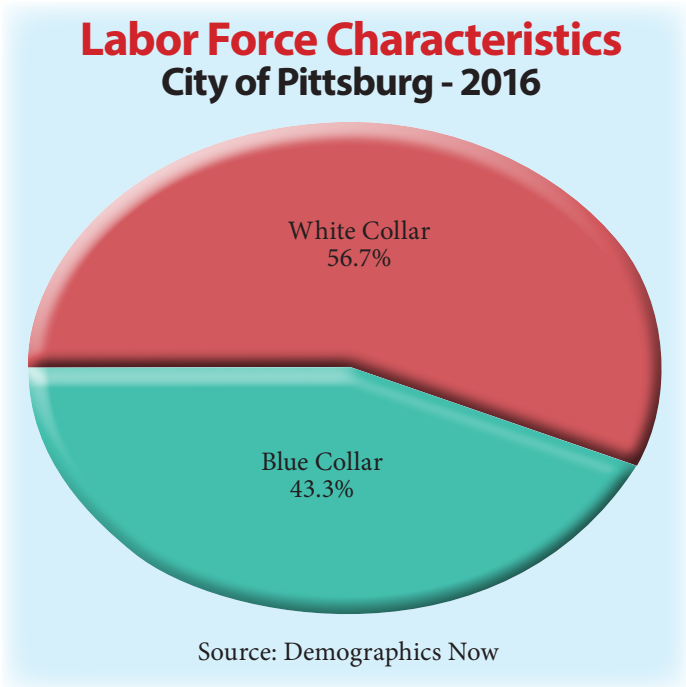
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Pitt Plastics

Pitt Plastics produces can liners for a variety of industries—from foodservice to healthcare to sanitation. As a leader in the plastic bag industry for 45 years, our products are sold nationwide while we remain proud to be based in Pittsburg, KS, providing over 300 local jobs. Thanks to the success we have had with the local labor force, Pitt Plastics can continue with the mission of delivering excellence as one team and one culture!

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2016 ECONOMIC SUMMARY

THE PITTSBURG MICROPOLITAN AREA has a population of 39,584 and 1,364 business establishments, which provide over 17,000 jobs. The local economy did well in 2016 with significant improvements in most economic in-

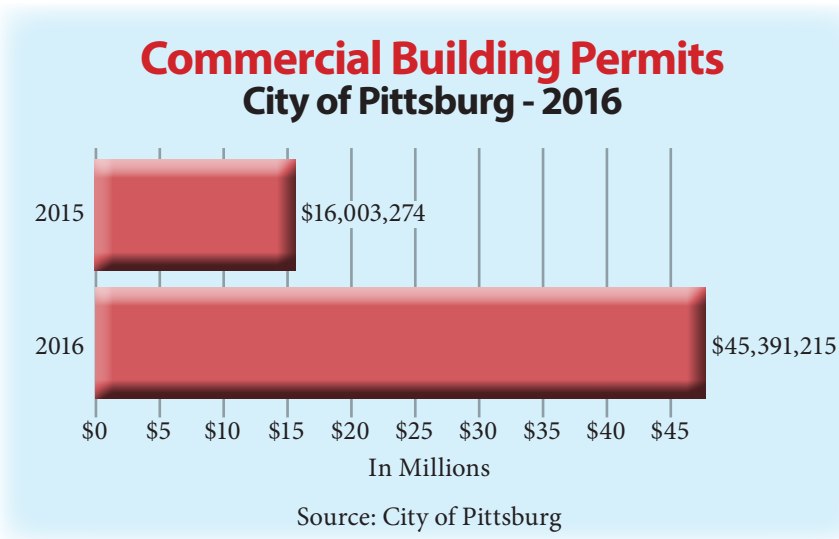


dicators, such as the gross regional product, jobs, payroll, retail sales, per capita income, and unemployment. The City of Pittsburg is the seat of the micropolitan area and has a labor force that is 43.3 percent blue collar and 56.7 percent white collar. Pittsburg is a regional center for retail sales, business services, research and development, medical services, and educational services. Kiplinger's Personal Finance Magazine says, "Nothing matches the vibe of a college town." The Pittsburg State University (home of the Gorillas) is located in Pittsburg on a 430-acre campus and offers over 200 academic programs for a student population of about 7,500. The university was ranked as the 4th most family friendly nationwide by the Princeton Review for their 2016 list, one spot above Harvard University.

Numerous studies have found that both urban amenities and aesthetic backdrop are important factors of quality of life. Pittsburg area urban amenities include 261 retail, eating, and drinking establishments; the new Kansas Crossing Casino (with a projected 500,000 visitors annually); two performing arts centers (the Bicknell Family Center for the Arts and the Memorial Auditorium); a 11,910 capacity NCAA Division II football stadium; three golf courses; a philharmonic orchestra; an opera, and more. Some of the area's many natural amenities include aesthetic backdrops such as fourteen parks, walking and biking trails, and access to eight major lakes and rivers within a one-hour drive.

The city is very pro-growth, and numerous economic development programs have been implemented or initiated in the last three years, all tending toward making Pittsburg a more modern cosmopolitan city. These programs include laying miles of fiber optic cable to improve internet infrastructure, providing low-interest loans and grants to small businesses, facilitating startup of the Southeast Kansas Career and Technical Education Center, and revitalizing the downtown area through the Mid-City Renaissance project, a mixed use development in the heart of the city which will include recreational areas, retail and office space, and a possible solar energy complex.

There is general optimism building in Pittsburg. Commercial building permits increased 183.6 percent in 2016 (from 2015) and investment in the city during the last three years, most of it private, has been \$288 million, with \$60.6 million in education infrastructure-related investment, \$50 million in entertainment infrastructure, \$33.7 million in public infrastructure, \$54.6 million in housing infrastructure, \$30.6 million in medical infrastructure, \$19.3 million in retail infrastructure, \$17.8 million in hospitality infrastructure, \$17.6 million in industry infrastructure, \$2.5 million in recreation infrastructure, and \$1.3 million in public wellness infrastructure.



OFFICE AND RETAIL SPACE MARKETS

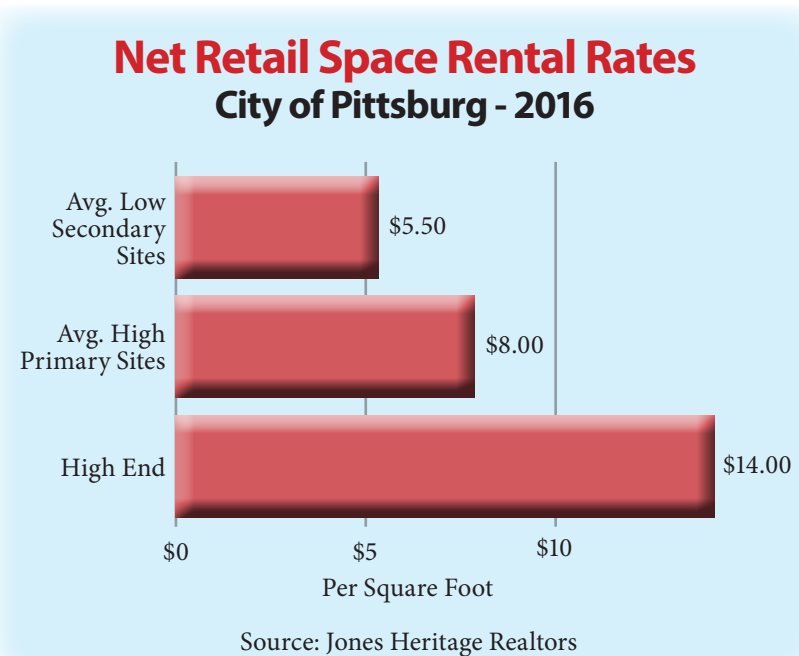
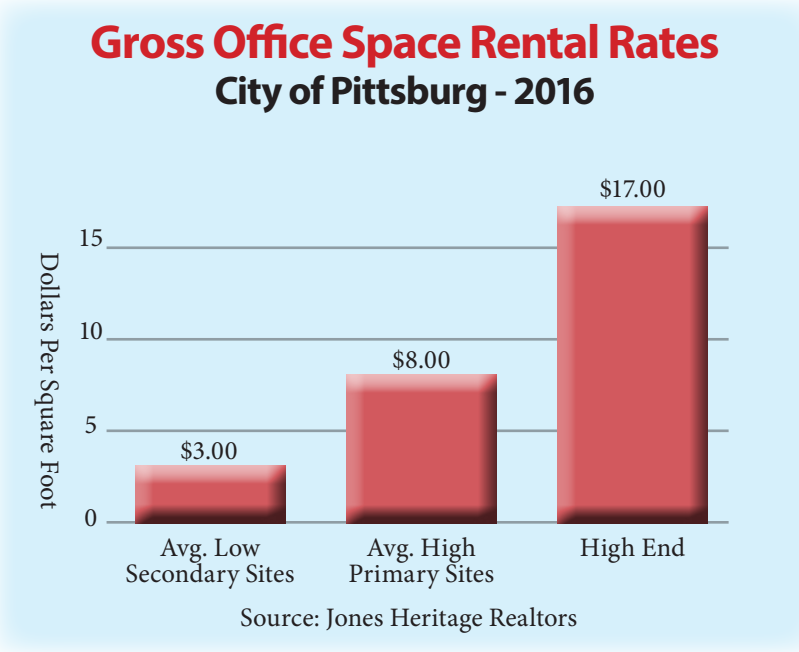
OFFICE: A healthy office space market is important for a vibrant city. As a regional center, Pittsburg office space caters to all businesses in Southeast Kansas. The office space rental market is relatively healthy in the area, according to Jones Heritage Realtors (a local authority on commercial real estate). Gross office rental rates start at an average low of \$3 per square foot and increase to an average high of \$8 per square foot for primary sites, with rates going as high as \$17 per square foot for high-end sites. Office rental rates for high visibility space on North Broadway, which is the prime office market and has the highest traffic counts in Pittsburg, range from \$8 to \$9 per square foot, while high-end medical offices sometimes reach \$13 to \$17 per square foot (for top quality medical space containing elaborate plumbing and mechanical systems). Mid-size units in the 2,000 square feet to 4,000 square feet range have average rates of \$5.50 to \$13 per square foot for higher-end upscale facilities.

Several major companies have their headquarters in Pittsburg, including Miller's Professional Imaging (annual sales of \$120-\$130 million), Jake's Fireworks (\$20-\$50 million), and Watco Mechanical Services (\$1-\$2.5 million). Moreover, NPC International (which owns and manages over 1,150 Pizza Hut and 180 Wendy's restaurants) has most of its functional specializations (accounting and IT) located in Pittsburg.

RETAIL: Pittsburg is the regional center for retail sales and consumer services. Numerous new eating and drink-

ing establishments have opened in the city recently or are in the pipeline, including Buffalo Wild Wings, Denny's, Guadalajara Mexican Grill, Gusano's Pizzeria, Jimmy's Egg, Jimmy John's, Jolly Fox Brewery, Rib Crib, and Root Coffeehouse. New major retailers include the Tractor Supply Company and Walmart Neighborhood Market. Also, the Meadowbrook Mall is expanding to accommodate new tenants. The city is currently home to about 162 retail establishments which provide 2,040 jobs, according to Demographics Now. Overall, the retail space rental market is active, according to Jones Heritage Realtors, with net retail space rental rates at an average low of \$5.50 per square foot, increasing to an average high of \$8 per square foot and as high as \$14 per square foot for prime locations. The most current information shows that recent

leases for downtown retail space are \$5 to \$7 per square foot. A medium-sized retail space on North Broadway (the main thoroughfare through downtown) leases for about \$6 to \$8, and some very small units in prime locations such as in strip malls reach \$10 to \$14 per square foot. A few leases are higher than this and they generally require a long term rental agreement.



COMMERCIAL AND RESIDENTIAL LAND VALUES

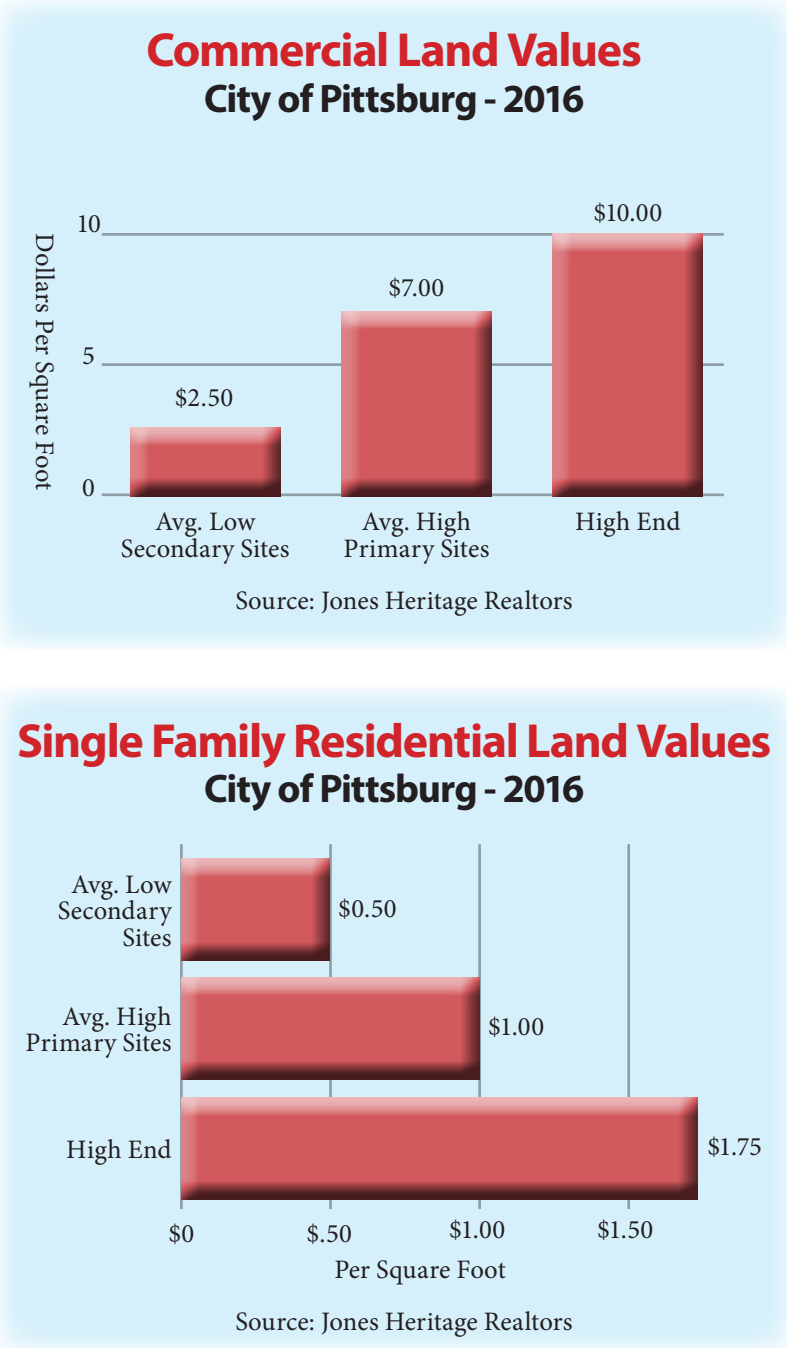
COMMERCIAL: The commercial land market did well in Pittsburgh in 2016. The two most prominent land development projects were the \$70 million Kansas Crossing Casino, which will have 16 gaming tables, 625 slot machines, a 123-bed Hampton Inn hotel, and a 600-seat entertainment complex. The Casino is projected to draw around 500,000 visitors annually. Furthermore, the addition on South Broadway of the \$7.8 million La Quinta Inn and Suites hotel, with 72 rooms, two conference areas, and an indoor pool, increased the number of local hotel rooms to 575.

The future also looks good for the local commercial land market, according to Jones Heritage Realtors, due to improvement in the local economy and the widening of Highway 69 from Fort Scott to Arma, which will provide Pittsburgh with access to a four-lane highway all the way to Kansas City, and connects Pittsburgh to the interstate system. That will be a boost for the local warehouse market. Industries such as manufacturing and trade (wholesale and retail) are heavy users of warehouses for packaging and storage. Currently, the rent for warehouse (light industrial) space starts at an average low of \$3.5 per square foot in secondary sites and increases to an average high of \$7.5 in primary sites. Commercial land values overall average at \$2.5 per square foot at secondary sites, increase to average high of \$7 at primary sites, and an average of \$10 for high-end sites.

RESIDENTIAL: Residential land values in Pittsburgh currently range from an average of \$0.5 per square foot in older neighborhoods to an average high of \$1 in good locations, but prices can go as high as \$1.75 per square foot in prime locations, according to Jones Heritage Realtors. Multi-family residential land prices start out at an average of \$1 per square foot in secondary locations and increase to an average of \$2 per square foot at primary sites. However, multi-family land prices can increase to \$2.5 per square foot for high-end locations.

Approximately 65.4 percent of the jobs in Pittsburgh are filled by commuters, and a study by the Kelce College of Business at the Pittsburgh State University finds that the majority of high-income jobs are filled by people who commute into the city. The city is responding by initiating ambitious housing programs to increase the land supply, ranging from a land swap with the Pittsburgh State University that added 72.7 acres of prime residential real

estate to the city, the Block 22 development (building loft apartments downtown with about 100 housing units already in the pipeline), creating a land bank to acquire dilapidated properties and encourage redevelopment, and the Mid-City Renaissance project to build a mixed use development in the heart of the city with recreational areas, retail and office space, and a possible solar energy complex.

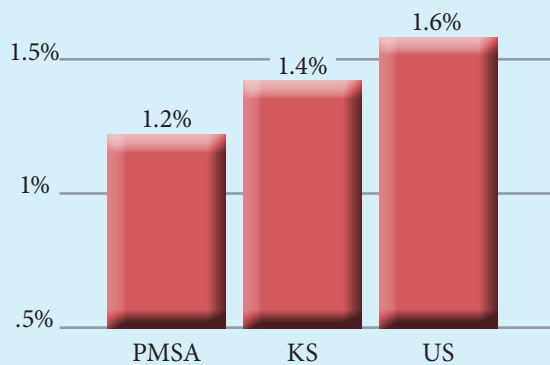


JOB GROWTH

The Pittsburg Micropolitan Area is dependent on the national economy and did well in 2016. New estimates show that the number of jobs provided by local businesses increased to 17,045 (up 1.2 percent) and payroll increased to \$560,825,981 (up 2.0 percent). Six industries added jobs during the year. The industry with the most job growth was Professional and Business Services, adding 225 jobs, followed by Trade, Transportation and Utilities, adding 155 jobs; Construction, adding 56 jobs; Manufacturing, adding 44 jobs; Financial Activities, adding 13 jobs; and Natural Resources and Mining, adding 2 jobs. All other industries lost jobs. Manufacturing had the highest increase in payroll of \$8.2 million. The goods-producing industries overall contributed 48.1 percent of the increase in total job growth and 61.4 percent of the increase in total

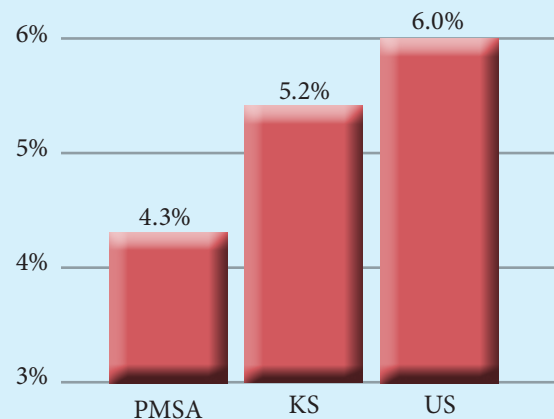
payroll, and the service-providing industries added 51.9 percent of the job growth and 38.6 percent in payroll.

Job Growth 2015-2016



Source: BLS and Kelce College of Business

Job Growth Projections 2016-2020



Source: BLS and Woods and Poole

PROJECTIONS:

The number of jobs in the Pittsburg Micropolitan Area is projected to increase to 17,236 in 2017 (up 1.1 percent) and 17,775 by 2020 (up 4.3 percent). Fifty-one major manufacturing firms are located in the region (including the Joplin area) in 37 different manufacturing sub-industries, which buy an estimated \$1.8 billion of material inputs annually. Hence, the area offers significant opportunities for establishing local manufacturing firms producing inputs for other manufacturers. The biggest input purchases of manufacturing goods are \$150.1 million for iron, steel, and ferro alloy manufacturing products.

Total Jobs

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	16,336	-1.0%	1,303,799	0.5%	129,411,095	1.2%
2012	16,782	2.7%	1,320,285	1.3%	131,696,378	1.8%
2013	16,908	0.7%	1,336,948	1.3%	133,968,434	1.7%
2014	16,890	-0.1%	1,357,090	1.5%	136,613,609	2.0%
2015	16,841	-0.3%	1,367,329	0.8%	139,491,699	2.1%
2016	17,045	1.2%	1,386,600	1.4%	141,710,843	1.6%

Source: BLS and Kelce College of Business

Total Jobs Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	17,236	1.1%	1,405,163	1.3%	143,875,543	1.5%
2016-2020	17,775	4.3%	1,458,620	5.2%	150,239,626	6.0%

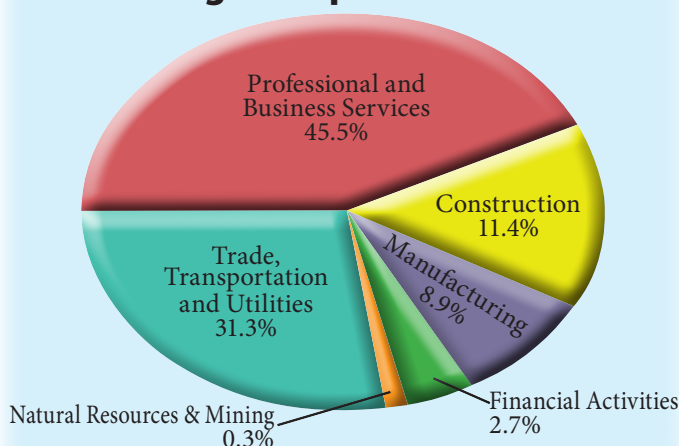
Source: Woods and Poole

INDUSTRY MIX

New estimates show that the largest industry in the Pittsburgh Micropolitan Area in 2016 was government (all levels) with 4,263 jobs, down 3.6 percent from 2015, followed by Trade, Transportation, and Utilities with 3,128 jobs, up 5.2 percent; Manufacturing with 2,583 jobs, up 1.7 percent; Education and Health Services with 2,292 jobs, down 4.5 percent; Leisure and Hospitality Services with 1,858 jobs, down 7.8 percent; Professional Business Services with 1,324 jobs, up 20.5 percent; Financial Activities with 509 jobs, up 2.7 percent; Construction with 496 jobs, up 12.8 percent; Other Services (repair, maintenance, beauty care, religious services, etc.) with 252 jobs, down 2.5 percent; Information Services with 247 jobs, down 4.8 percent; and Natural Resources and Mining with 96 jobs, up 1.4 percent. The two industries with the biggest payroll during the year were Government with

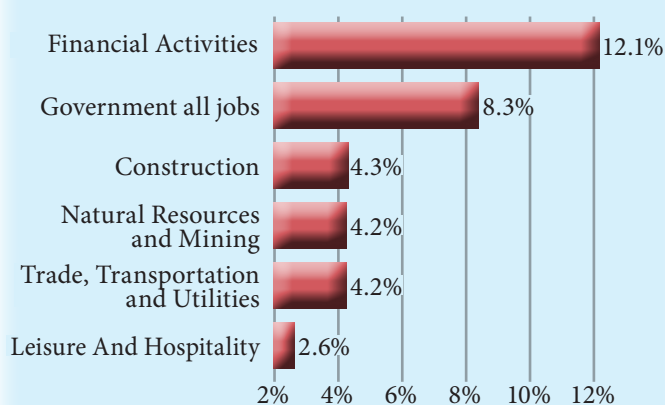
\$144.7 million (down 3.5 percent) and Manufacturing with \$106.7 million (up 8.3 percent).

Percent of Jobs Created by Industry Pittsburg Micropolitan Area 2016



Source: BLS and Kelce College of Business

Industry Projections Pittsburg Micropolitan Area Growth of Jobs Added 2016-2020



Source: Woods and Poole

PROJECTIONS:

The goods-producing industries are very important in the Pittsburgh Micropolitan Area, having 30 percent higher concentration than nationwide. The goods-producing industries provided 18.6 percent of jobs in 2016 and 22.8 percent of payroll and by 2020 the goods-producing industries are projected to provide 18.1 percent of jobs and 22.1 percent of the income. The three fastest growing industries in the area during the 2016-2020 period are projected to be Financial Activities (up 12.1 percent), Government (up 8.3 percent), and Construction (up 4.3 percent).

Job Growth By Industry Pittsburg Micro Area

	Percent Growth 2015-2016
Professional and Business Services	20.5%
Construction	12.8%
Trade, Transportation, and Utilities	5.2%
Financial Activities	2.7%
Manufacturing	1.7%
Natural Resources And Mining	1.4%
Government all jobs	-0.2%
Other Services	-2.5%
Education and health	-4.5%
Information	-4.8%
Leisure And Hospitality	-7.8%

Source: BLS and Kelce College of Business

Jobs By Industry Pittsburg Micro Area

	2016	Percent of Jobs Total
Government all jobs	4,263	25.0%
Trade, Transportation, and Utilities	3,128	18.3%
Manufacturing	2,583	15.2%
Education and health	2,292	13.4%
Leisure and hospitality	1,858	10.9%
Professional and Business Services	1,324	7.8%
Financial activities	509	3.0%
Construction	496	2.9%
Other Services	252	1.5%
Information	247	1.4%
Natural resources and mining	96	0.6%
Total JOBS	17,048	100.0%

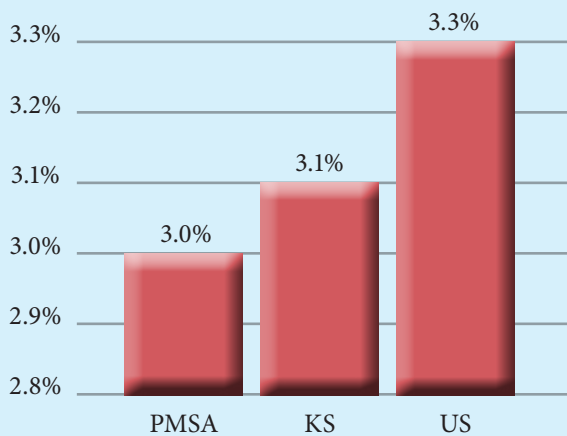
Source: BLS and Kelce College of Business

GROSS DOMESTIC PRODUCT

The Gross Domestic (Regional) Product measures aggregate production in a given year and is the best measure available for overall economic activity. Also, the Gross Domestic Product is one of the most used economic development indicators. Preliminary estimates from Woods and Poole show that the Gross Domestic Product (GDP) in the Pittsburg Micropolitan Area increased to \$1.36 billion in 2016, up 3 percent from 2015, slightly less than the 3.1 percent statewide growth and 3.3 percent nationwide growth. The growth in the Pittsburg Micropolitan Area GDP has increased every year for the last three years, and in 2016 the area's GDP grew faster than 88.6 percent of all counties in Kansas and 62.1 percent of the 536 micropo-

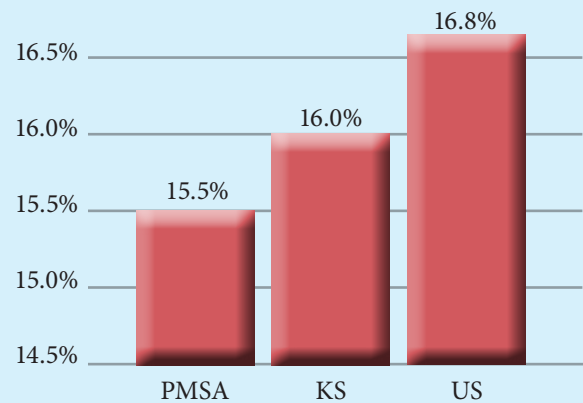
litan areas nationwide. This shows that the local economic activity is robust and growing at a healthy rate.

Gross Domestic Product 2015-2016



Source: Woods and Poole

Gross Domestic Growth Projections 2016-2020



Source: Woods and Poole

PROJECTIONS:

The local GDP is projected to continue to increase at a healthy rate and faster than 63.6 percent of all micropolitan areas nationwide. In 2017, the Gross Domestic Product in the Pittsburg Micropolitan Area is projected to increase 3.4 percent (to \$1.4 billion) compared to a 3.5 percent increase statewide, and 3.6 percent nationwide. During the 2016 to 2020 period, the Gross Domestic Product is projected to increase 15.5 percent in the Pittsburg Micropolitan Area, (faster than 64 percent of all micropolitan areas), 16 percent statewide, and 16.8 percent nationwide.

Gross Domestic Product

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	\$1,229	7.1%	\$136,789	6.9%	\$15,406,007	3.7%
2012	\$1,280	4.1%	\$139,669	2.1%	\$16,041,262	4.1%
2013	\$1,291	0.9%	\$140,428	0.5%	\$16,549,227	3.2%
2014	\$1,300	0.7%	\$145,217	3.4%	\$17,342,234	4.8%
2015	\$1,324	1.8%	\$149,527	3.0%	\$17,839,318	2.9%
2016*	\$1,364	3.0%	\$154,211	3.1%	\$18,427,419	3.3%

Source: Woods and Poole
*Estimate Millions of Dollars

Gross Domestic Product Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	\$1,410	3.4%	\$159,578	3.5%	\$19,099,646	3.6%
2016-2020	\$1,576	15.5%	\$178,925	16.0%	\$21,523,036	16.8%

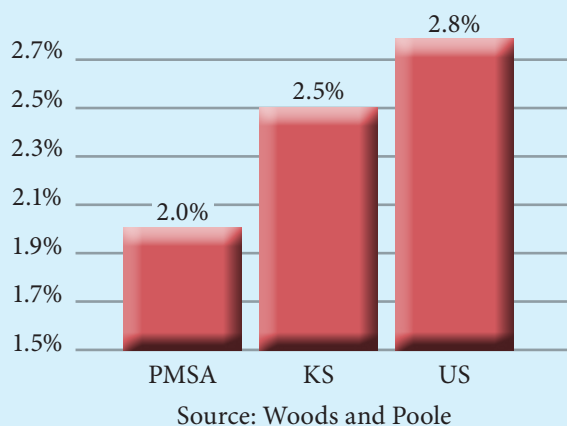
Source: Woods and Poole
Millions of dollars

RETAIL SALES

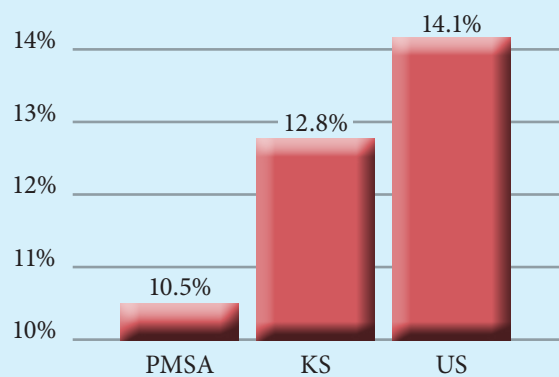
Total retail sales in the Pittsburgh Micropolitan Area increased to \$502.2 million in 2016, according to Woods and Poole, up \$9.7 million (2.0 percent) from 2015. The biggest category of sales was general merchandise with sales of \$101.4 million (up 2.6 percent from 2015), followed by \$77.4 million in motor vehicle and parts dealer sales (up 1.8 percent), \$72.3 million in food and beverage sales (up 0.9 percent), \$64.5 million in eating and drinking establishment sales (up 1.5 percent), \$58.1 million in building materials and garden equipment sales (up 1.7 percent), \$51.5 million in gasoline station sales (up 1.7 percent), \$25.8 million in health and personal care sales (up 2.8 percent), and \$51.1 million in other types of sales (including \$6.5 million in online sales), up 3.4 percent. Sales tax collections for most

cities in the micropolitan area (taxes on retail and some taxes on tourism) were also very healthy during 2016.

Retail Sales Growth 2015-2016



Retail Sales Growth Projections 2016-2020



PROJECTIONS:

The consumer confidence index was at a 13-year high at the beginning of 2017, indicating that consumers are poised to increase spending in the near future. Total retail sales in the Pittsburgh Micropolitan Area are projected to increase to \$513.6 million in 2017 (up 2.3 percent), and to \$555.2 million by 2020 (up 10.5 percent). Furniture and home furnishing store sales are projected to have the highest increase of 23.3 percent during the 2016-2020 period, followed by electronics and appliance sales (up 13.8 percent), health and personal care sales (up 13.6 percent), and general merchandise sales (up 13.1 percent).

Retail Sales

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	\$440.6	6.1%	\$40,146.6	7.5%	\$4,504,566.8	7.3%
2012	\$460.0	4.4%	\$42,325.1	5.4%	\$4,732,287.4	5.1%
2013	\$472.5	2.7%	\$43,714.3	3.3%	\$4,908,156.1	3.7%
2014	\$486.2	2.9%	\$45,211.0	3.4%	\$5,099,921.8	3.9%
2015	\$492.5	1.3%	\$46,021.4	1.8%	\$5,205,523.5	2.1%
2016*	\$502.2	2.0%	\$47,162.9	2.5%	\$5,349,256.6	2.8%

Source: Woods and Poole
*Estimate Millions of dollars

Retail Sales Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	\$513.6	2.3%	\$48,475.7	2.8%	\$5,513,243.0	3.1%
2016-2020	\$555.2	10.5%	\$53,203.4	12.8%	\$6,101,137.2	14.1%

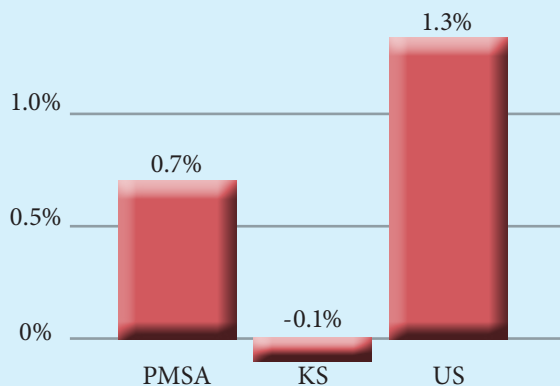
Source: Woods and Poole
Millions of dollars

LABOR FORCE GROWTH

The national labor force participation rate is well below what it was prior to the 2007-2009 recession. The average labor force participation rate nationwide was 62.8 percent in 2016 according to the Bureau of Labor Statistics (down from 66.1 percent in 2007), 45.7 percent for people with less than a high school education, 57.5 percent for high school graduates, 66.3 percent for people with some college or an Associate's degree, and 74.1 percent for people with Bachelor's degree or higher. The Pittsburgh Micropolitan Area labor force increased to 19,111 in 2016, up 0.7 percent from 2015. The local area labor force is relatively young and 44.6 percent blue collar, compared to 40.1 percent statewide and 39.1 percent nationwide. However, the

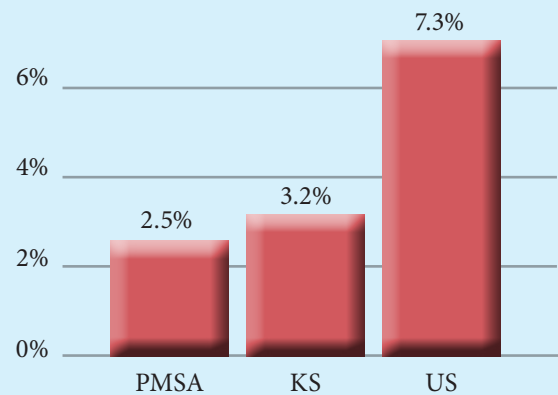
Pittsburg Micropolitan Area blue collar workers are better skilled and more educated than the national average.

Labor Force Growth 2015-2016



Source: BLS and Kelce College of Business

Labor Force Growth Projections 2016-2020



Source: Demographics Now

PROJECTIONS:

The Pittsburgh Micropolitan Area labor force is projected to increase to 19,231 in 2017 (up 0.6 percent), and 19,592 by 2020 (up 2.5 percent). A quality labor force is vital for economic growth. The labor force in the Pittsburgh Micropolitan Area is hard working and relatively well educated. According to the Census, 34.7 percent have a four-year college degree or higher; 36.3 percent have some college or an associate degree, 22.9 percent have a high school diploma, and only 6.1 percent have not completed high school.

Labor Force

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	19,169	-1.0%	1,491,087	-0.6%	153,617	-0.2%
2012	19,263	0.5%	1,483,573	-0.5%	154,975	0.9%
2013	19,275	0.1%	1,485,404	0.1%	155,389	0.3%
2014	19,165	-0.6%	1,494,188	0.6%	155,922	0.3%
2015	18,977	-1.0%	1,499,009	0.3%	157,130	0.8%
2016*	19,111	0.7%	1,497,085	-0.1%	159,216	1.3%

Source: BLS and Kelce College of Business

US: Numbers in the thousands

*Estimate

Labor Force Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	19,231	0.6%	1,508,918	0.8%	162,128	1.8%
2016-2020	19,592	2.5%	1,544,416	3.2%	170,864	7.3%

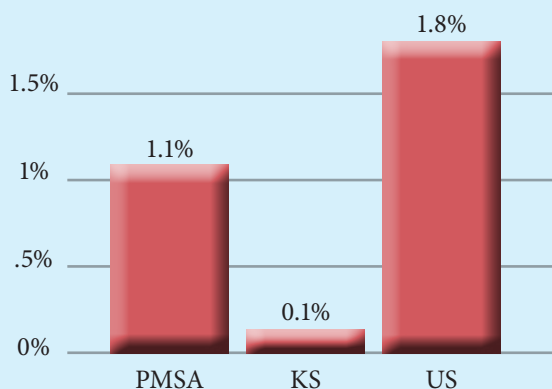
Source: Demographics Now

EMPLOYMENT

People in the Pittsburgh Micropolitan Area are hard workers and the portion of the population who is working is relatively high. The employment-population ratio for the population above 16 years old is 61.5 percent in the micropolitan area, below the 64.2 percent statewide but well above the 59.5 percent nationwide. New estimates show that 18,196 people in the micropolitan area were employed (either in the micropolitan area or somewhere else) during 2016, up 1.1 percent from 2015. The Census Bureau reports that 32.1 percent of the people who live in the Pittsburgh Micropolitan Area and work are employed in management, business, science, and arts occupations; 22.9 percent in sales and office occupations; 19.7 percent in service occupations; 16.8 percent in production, transportation, and

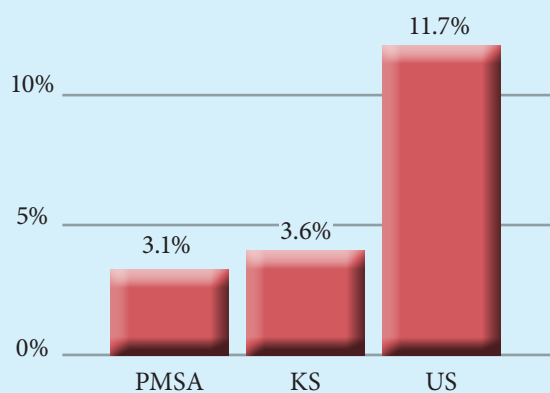
material-moving occupations; and 8.5 percent in natural resources, construction, and maintenance occupations.

Employment Growth 2015-2016



Source: BLS and Kelce College of Business

Employment Growth Projections 2016-2020



Source: Demographics Now

PROJECTIONS:

Like the national economy, the micropolitan area post-recession economy is rebounding, but slowly. Total employment in the Pittsburgh Micropolitan Area is projected to increase to 18,336 in 2017 (up 0.8 percent) and to 18,755 by 2020 (up 3.1 percent). There is a need for skilled labor in the region, including occupations such as electricians, welders, cutters, solderers, brazers, machinists, structural metal fabricators, and fitters, and a recent labor force study found that some of these occupations are among the fastest growing in the area.

Employment

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	17,652	-0.1%	1,394,082	-0.1%	139,869	0.6%
2012	17,983	1.9%	1,398,474	0.3%	142,469	1.9%
2013	18,133	0.8%	1,406,374	0.6%	143,929	1.0%
2014	18,133	0.0%	1,425,970	1.4%	146,305	1.7%
2015	18,000	-0.7%	1,435,884	0.7%	148,833	1.7%
2016*	18,196	1.1%	1,436,852	0.1%	151,488	1.8%

Source: BLS and Kelce College of Business

US number in thousands

*Estimate

Employment Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	18,336	0.8%	1,449,729	0.9%	155,937	2.9%
2016-2020	18,755	3.1%	1,488,359	3.6%	169,284	11.7%

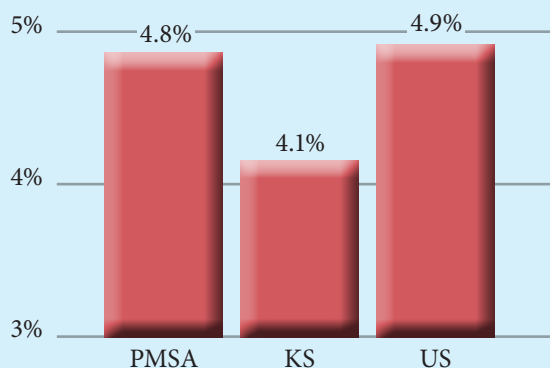
Source: Demographics Now

UNEMPLOYMENT

The unemployment rate nationwide declined in 2016, in part due to discouraged workers leaving the labor force. Approximately 25.9 percent of the unemployed were long term unemployed in 2016, up from 17.6 percent in 2007. There were a record number of people who were not working nationwide in 2016, increasing to over 95 million. That is because the population is growing faster than employment. Unemployment continues to be higher for people with no high school diploma (7.4 percent), followed by high school graduates (5.2 percent), some college or associate degree (4.1 percent), and bachelor's degree or higher (2.5 percent). The unemployment rate in the Pittsburgh Micropolitan Area has declined every year since 2011 to 4.8 percent in 2016. The increase in the Pittsburgh Micropolitan Area employment is greater than the increase in the

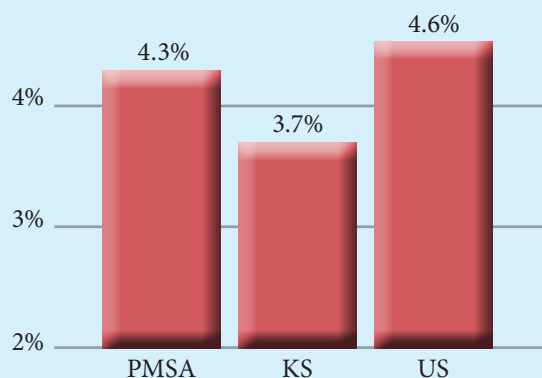
growth of the labor force, indicating that the unemployment rate is declining for the right reasons.

Unemployment Rate 2016



Source: BLS and Kelce College of Business

Unemployment Rate Projections 2020



Source: Demographics Now

PROJECTIONS:

This trend is expected to continue as the local economy improves. The unemployment rate in the Pittsburgh Micropolitan Area is projected to decline to 4.7 percent in 2017 and 4.3 percent in 2020. However, what happens nationwide is more uncertain. Many projections on the national economy were upgraded in December of 2016, showing a significant future improvement of the national economy. If discouraged workers who dropped out of the labor force begin to join, due to improved expectations about the economy, the national unemployment rate might increase temporarily in the near future.

Unemployment Rate

	Pittsburg Micro	Kansas	US
2011	7.9%	6.5%	8.9%
2012	6.7%	5.8%	8.1%
2013	5.9%	5.3%	7.4%
2014	5.4%	4.6%	6.2%
2015	5.1%	4.2%	5.3%
2016*	4.8%	4.1%	4.9%

Source: BLS and Kelce College of Business
*Estimate

Unemployment Rate Projections

	Pittsburg Micro	Kansas	US
2016-2017	4.7%	4.0%	4.8%
2016-2020	4.3%	3.7%	4.6%

Source: Demographics Now

Pittsburg Micropolitan Area Economic Profile

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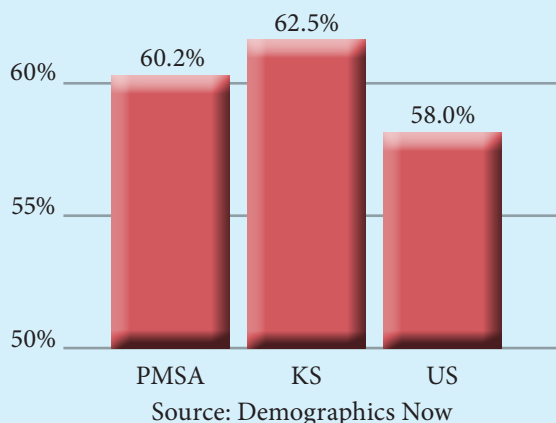
ON THE COVER: The northwest corner of the newly expanded and renovated Jack H. Overman student center.
Photograph by David Oldham

POPULATION GROWTH

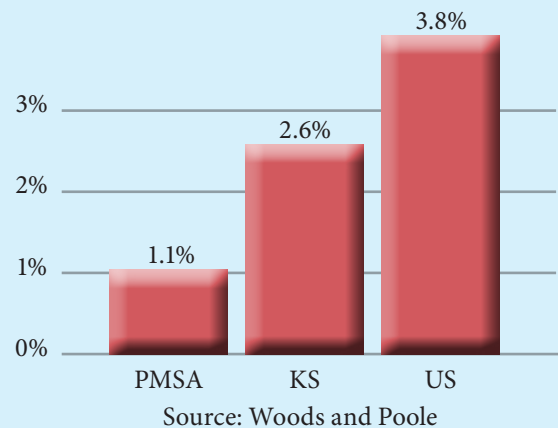
The population in the Pittsburgh Micropolitan Area is growing slowly, increasing to 39,478 in 2016, up 0.3 percent, which is below the 0.6 percent population growth statewide and 0.9 percent growth nationwide. The population in the Pittsburgh Micropolitan is also relatively younger than the national average (which is good news) with 44.6 percent of the population in the 15-44 years old age group, much higher than the 39.7 percent statewide, and 40.2 percent nationwide. Approximately 89.7 percent of the local population is Caucasian, 2.3 percent is African American, 1.9 percent is Asian or Pacific Islander, 1.1 percent is American Indian or Alaska Native, and 5.0 percent are other races. Furthermore, approximately 60.2 percent of the population in the Pittsburgh Micropolitan Area has

education beyond high school, compared to 62.5 percent statewide, and 58.0 percent nationwide.

Educational Achievement 2016 Beyond High School



Population Growth Projections 2016-2020



PROJECTIONS:

The population growth in the Pittsburgh Micropolitan Area is projected to be sluggish in the near future according to Demographics Now, with the population projected to increase 0.3 percent in 2017, 0.7 percent statewide, and 0.9 percent nationwide. In 2016-2020 period, the population is expected to increase 1.1 percent in the Pittsburgh Micropolitan Area, 2.6 percent statewide, and 3.8 percent nationwide. The local economy is currently doing well and the City of Pittsburgh is implementing numerous new housing programs in order to induce people who have jobs in the city, but commute, to move to Pittsburgh.

Population

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	39,204	0.0%	2,870	0.4%	311,722	0.8%
2012	39,361	0.4%	2,886	0.6%	314,112	0.8%
2013	39,330	-0.1%	2,896	0.3%	316,498	0.8%
2014	39,290	-0.1%	2,904	0.3%	318,857	0.7%
2015	39,370	0.2%	2,921	0.6%	321,545	0.8%
2016*	39,478	0.3%	2,940	0.6%	324,507	0.9%

Source: Woods and Poole

Population Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	39,587	0.3%	2,959	0.7%	327,505	0.9%
2016-2020	39,908	1.1%	3,017	2.6%	336,690	3.8%

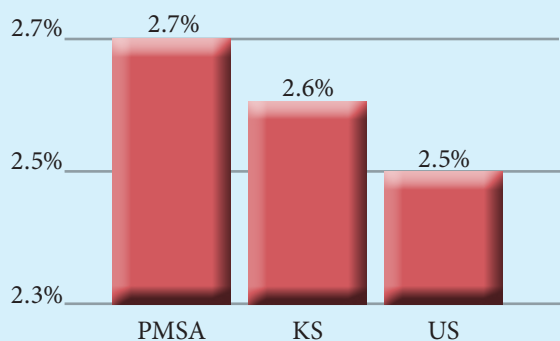
Source: Woods and Poole
Kansas and US are in thousands

PER CAPITA INCOME AND COST OF LIVING

Per capita income in the Pittsburgh Micropolitan Area increased to \$33,038 in 2016, up 2.7 percent. This is a higher increase in per capita income than both statewide (2.6 percent) and nationwide (2.5 percent). This is good news because per capita income is a quality of life indicator and the increase shows that incomes in the Pittsburgh Micropolitan Area are improving. Per capita income in relation to cost of living is also an important economic indicator because it provides a measure of local purchasing power and average standard of living. In 2016 the cost of living in the Pittsburgh Micropolitan Area was 87.1 percent of the national average, according to the Center for Regional Economic Competitiveness. The cost of groceries was 106.4

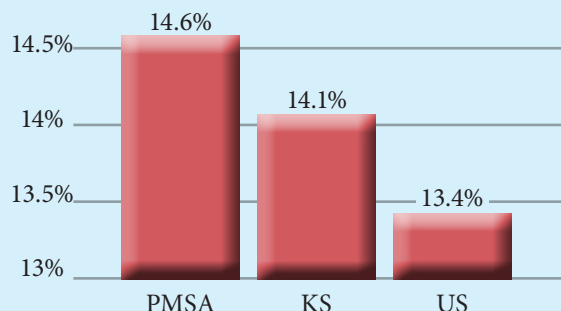
percent, housing was 65.9 percent, transportation was 85.3 percent and health care was 84.8 percent.

Per Capita Income Growth 2015-2016



Source: Woods and Poole

Per Capita Income Growth Projections 2016-2020



Source: Woods and Poole

PROJECTIONS:

This trend is expected to continue. Per capita income in the Pittsburgh Micropolitan Area is projected to increase 3.1 percent in 2017, 3.0 percent statewide, and 2.8 percent nationwide. During the 2016-2020 period, per capita income is projected to increase 14.6 percent in the Pittsburgh Micropolitan Area, which is well above the 14.1 percent increase statewide, and 13.4 percent nationwide. Factoring in the relatively low local inflation, this indicates that the purchasing power is increasing faster in the micropolitan area than both statewide and nationwide.

Per Capita Income

	Pittsburg Micro	Change	Kansas	Change	US	Change
2011	\$29,769	4.8%	\$42,403	8.1%	\$42,453	5.4%
2012	\$30,820	3.5%	\$43,725	3.1%	\$44,266	4.3%
2013	\$30,937	0.4%	\$44,311	1.3%	\$44,438	0.4%
2014	\$31,582	2.1%	\$44,891	1.3%	\$46,050	3.6%
2015	\$32,171	1.9%	\$45,870	2.2%	\$46,974	2.0%
2016*	\$33,038	2.7%	\$47,075	2.6%	\$48,134	2.5%

Source: Woods and Poole
*Estimate

Per Capita Income Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2016-2017	\$34,055	3.1%	\$48,484	3.0%	\$49,502	2.8%
2016-2020	\$37,849	14.6%	\$53,698	14.1%	\$54,607	13.4%

Source: Woods and Poole

Pittsburg Micropolitan Area Business Summary

	2016 Employment (Includes entrepreneurs)	Percent	2016 Establishments	Percent	Average Employment Size
Forestry, and Fishing	205	1.4%	59	4.3%	3.5
Mining	27	0.2%	4	0.3%	6.8
Construction	580	3.9%	77	5.6%	7.5
Manufacturing	1,942	13.1%	62	4.5%	31.3
Transportation, Communications, Electric, Gas, & Sanitary Services	1,062	7.2%	69	5.1%	15.4
Wholesale Trade	633	4.3%	63	4.6%	10.0
Retail Trade	2,877	19.5%	261	19.1%	11.0
Eating and Drinking Places	1,207	8.2%	78	5.7%	15.5
Automotive Dealers and Gasoline Service Stations	202	1.4%	29	2.1%	7.0
Apparel and Accessory Stores	88	0.6%	17	1.3%	5.2
Food Stores	186	1.3%	25	1.8%	7.4
Home Furniture, Furnishings and Equipment Stores	132	0.9%	14	1.0%	9.4
Building Materials, Hardware, Garden Supply & Mobile Home Dealers	213	1.4%	14	1.0%	15.2
General Merchandise Stores	541	3.7%	10	0.7%	54.1
Miscellaneous Retail	308	2.1%	74	5.4%	4.2
Finance, Insurance, & Real Estate Services	524	3.5%	110	8.1%	4.8
	5,885	39.8%	603	44.2%	9.8

*Mid- Year Estimate

Population Demographics

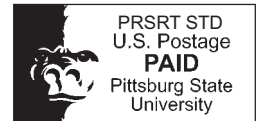
	2010 Census	Percent	2016A Estimates	Percent
Total Population	39,134		39,584	
Population Density (Pop/Sq Mi)	66.36		66.53	
Total Households	15,729		15,952	
Population by Gender:				
Male	19,421	49.6%	19,831	50.1%
Female	19,713	50.4%	19,753	49.9%

Households by Income

	2010 Census	Percent	2016A Estimates	Percent
Household Income				
\$0 - \$15,000	3,466	22.0%	3,085	19.3%
\$15,000 - \$24,999	2,027	12.9%	2,033	12.7%
\$25,000 - \$34,999	2,097	13.3%	1,978	12.4%
\$35,000 - \$49,999	2,760	17.5%	2,771	17.4%
\$50,000 - \$74,999	2,540	16.1%	2,719	17.0%
\$75,000 - \$99,999	1,379	8.8%	1,645	10.3%
\$100,000 - \$149,999	1,030	6.5%	1,252	7.8%
\$150,000 +	430	2.7%	469	2.9%
Average Hhld Income	\$49,060		\$52,476	
Median Hhld Income	\$36,244		\$39,778	
Per Capita Income	\$20,337		\$21,758	

Source: Demographics Now

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